Speech of Shri N. Gopalaswami Ayyangar introducing the Railway Budget for 1949-50, on 23rd February 1949

I rise to present the Budget for Indian Government Railways for the financial year 1949-50, and in doing so, to invite the attention of Honourable Members to certain broad results, of their administration.

2. With the conditions that prevailed in the country immediately after the transfer of power in 1947 and the manner in which Railways had to function under those conditions, the House has been made fully familiar by my predecessor when he introduced the Budgets for the later 7 months of 1947-48 and for the year 1948-49. I do not propose to deal with them again on this occasion. The strain of the second world war, the splitting into two of a united railway system, the violent civil disturbances in the Punjab, the aggression and fighting in Kashmir, the Hyderabad Police action, the general economic and transport upset-these and other similar developments in the country confronted Railway Administrations with problems at once difficult, grave and unprecedented in their nature and intensity. But they tackled them all with determination and vigour and the situation had, after a few months, so far improved that Dr. Matthai was able to tell the House in February last that we had turned the corner. Not only had we then got our feet planted firmly on the road to normalcy but we have since confidently, and with increasing pace, made progress in the direction of a rationalisation and expansion of the service that Railways render to the public. Partition, as a profoundly disturbing factor in our economy, has not spent itself out completely yet. But it is rapidly receding into the background and we are progressively settling down to the new and altered conditions created by it. Railways have registered this trend perhaps even more quickly than other sectors of our economic make up.

3. The story of Indian Government Railways, their actual performance during the last 18 months, their present position and their promise for the future will take me longer to tell than the time I would willingly tax the patience of the House for on any other matter or occasion, but I do hope Honourable Members will bear with me on the present occasion. It is not my purpose, however, to recount anything lie a fairy tale. I shall not seek to exaggerate such small achievements as the Railways may claim to their credit; neither shall I gloss over their obvious and many deficiencies. Mine will be an endeavour to give an unvarnished recital of some features of Railway Administration as it has been, and, as I hope it will, in the immediate future, be.

4. I desire at the outset to take Honourable Members into my confidence and tell them straight away that there will be no enhancement of railway fares or freights in the coming year. This, I hope, will be received by the House and the country with a sense of relief. One reason for my making , this known at once is that, if I reserved it to a later stage; of my speech its surprise value might get discounted on account of its inevitability on the fact and argument preceding it. There is, however, another reason. That, in spite of the, Central Pay Commission scales of pay and dearness allowance of the Adjudicator's Award, of the mounting demand by labour for larger additions to wages, of the continually rising cost of works and stores and the like, we have not yet reached the stage of being compelled to raise fares and freights for financing them, in the Budget year is a piece of good fortune which I am naturally anxious Honourable Members should share with me and the Government from the earlier possible moment. It will, I hope, put Honourable Members into a, cheerful frame of mind-if nothing else, into a mood for enduring the drab largely factual, account of finance and administration that it will be my duty to place before them this afternoon.

5. I shall first give a summary of the financial position. For the first time after the partition, figures are available for a three-year period the actuals of a past or completed year, the Revises Estimates for the passing or current year and the Budget Estimates for the coming or Budget Year. Only in the present case, the year for actuals is a truncated one, being the period of 7 months from 15th August 1947 to 31st March, 1948.

6. Both the Budget and Revised Estimates for this period of 7½ months were based on a number of uncertain factors and were, therefore, vitiated by some amount of guess work. The Budget Estimate showed a deficit of Rs. 2.69 crores which was raised to Rs. 5.2 crores in the

Revised Estimate in the accounts of the year, however, the actual gross receipts, are Rs.7 crores less than in the Revised Estimate but the Working Expenses also showed a reduction of Rs. 8.75 crores. There was a net improvement of Rs. 37 lakhs under Miscellaneous Transactions and a saving of Rs. 34 lakhs under Interest Charges. The actual net deficit was, therefore, Rs. 2.74 crores, which was met by withdrawal from the Railway Reserve.

7. In the Budget for the current year the estimate of gross traffic receipts was placed at Rs. 1.90 crores. Deducting Rs. 3.87 crores on account of worked lines, the traffic receipts of Indian Government Railways were estimated at Rs. 186.13 crores. The chief contributors to the amount under gross traffic receipts were passengers (Rs. 79.54 crores), other coaching traffic (Rs. 13.82 crores), goods (Rs. 94.16 crores), other earnings (Rs. 3.44 crores) and suspense (minus Rs. 96 lakhs). A considerable growth of traffic, both passenger and goods, was relied upon for sustaining these estimates. The experience of actual receipts in the course of the current year indicates that the Budget Estimates will be bettered substantially. Passenger earnings will account for an increase of Rs. 5.86 crores, other coaching earnings for an addition of Rs. 3.91 crores and goods earnings for a rise of Rs. 3.20 crores. In the case of passenger earnings, it is due to a large increase in the numbers using railways and some decrease in ticket less travelling. An enhancement in the rates for parcels and the larger volume of military traffic maintained throughout the year are responsible for the increase under other coaching earnings. The additional revenue under goods earnings is mainly due to the general revision carried out of the railway rates freight structure with a view to achieving both rationalisation and simplification. The new rates came into effect on the 1st October 1948. The Revised estimate figure for passenger earnings is Rs. 85.40 crores; for earnings from other coaching traffic Rs. 17.73 crores and for goods earnings Rs. 97.36 crores. Allowing for a drop of 30 lakhs under other earnings and a difference of 1.83 crores under suspense, the total of gross traffic receipts has been placed at Rs. 204.50 crores in the Revised Estimate of the current year. Deducting Rs. 4.12 crores for worked lines, the traffic receipts of Indian Government Railways will amount to Rs. 200.38 crores.

8. Working expenses for the current year were taken at Rs. 159.78 crores in the Budget but are put at Rs. 163.71 crores in the Revised Estimate. Ordinary Working Expenses will be higher by Rs. 8.71 crores due largely to increased expenditure under repairs and maintenance, freight and handling charges on fuel, loss on grainshops and dearness allowance. There will be a small addition of Rs. 11 lakhs to the appropriation to the Depreciation Reserve Fund though the capital expenditure is below the estimate, a sum of Rs. 25 lakhs has to be appropriated to the Fund on account of the Darjeeling-Himalayan Railway. Another Rs. 11 lakhs are accounted for by increased payment to worked lines. Per contra there will be an improvement of Rs. 13 lakhs under Miscellaneous transactions. The net revenue which in the Budget Estimate was taken at Rs. 32.37 crores will be Rs. 38,07 crores in the Revised Estimate. From this has to be deducted the amount (Rs. 2.24 crores) of interest on the Capital at charge. The net surplus on the year's transactions is thus estimated at Rs. 15.83 crores. I shall be dealing with the disposal of this amount later.

9. The estimates for the Budget year 1949-50 have been framed as carefully as it is possible to do now. It is not anticipated that there will be any substantial change in general economic conditions in the country taken as a whole. There is likely to be no worsening of the present position. On the other hand, it might be hoped that such overall change as might express itself will be in the direction of a slight improvement. It is expected that there will be a progressive replacement of outworn locomotives and a consequent improvement, in the power position. More traffic will thus be catered for. The new freight rates which were enforced in 1948-49 only for half the year would operate during the whole of the year 1949-50 and bring in an appreciable addition to goods earnings. The food position might, however, be difficult. There will probably be a gradual extension of rationing and scarcity conditions have already made their appearance in parts of the country. A record volume of foodgrain imports is anticipated. All this would mean a larger internal movement of foodgrains which, being low-rated traffic, will probably express itself in some reduction of goods earnings. A slight drop in passenger earnings has been assumed as a result of the introduction of' the new three class accommodation in trains, though the recent trends of the results of this change do not altogether justify this apprehension and there might possibly be some increase under this head. The progressive increase in recent years in the volume of parcels traffic will, it is expected, be maintained in 1949-50. And this, together with the revision of parcels rates introduced from the 1st October 1948, will also bring in some

addition. There will, however, be a fall in earnings from military traffic. Based on these anticipations, the Budget Estimate of gross traffic receipts has been taken at Rs. 210 crores. This is the combined result of a slight reduction under passenger earnings (Rs. 31 lakhs) and under sundry earnings (Rs. 10 lakhs), an improvement under other coaching earnings (Rs. 39 lakhs) and under goods earnings (Rs. 6.04 crores). Deducting receipts of worked lines (Rs. 4.15 crores), the traffic receipts of Indian Government Railways will amount to Rs. 205.85 crores.

10. The estimate of ordinary working expenses has been placed at Rs. 159.03 crores being Rs. 347 crores above the figure (Rs. 155.86 crores) in the Revised Estimate of the current year. The additional dearness allowance sanctioned by Government with effect from the 1st January 1949 to all staff drawing not more than Rs. 250 has been provided for the full year at a cost of about Rs. 8 crores. The increase in t. pay and running allowances of Running Staff will cost another 11/3rd crores. The total provision on account of cash dearness allowance is estimated at Rs. 28.85 crores to which has to be added the loss on working the restricted Grainshops scheme, for the benefit of those sections of the staff who have opted for it, Rs. 12.80 crores. For the programme of Implementation of the Adjudicator's Award to be carried out in 1949-50, the different Railway Administrations expect to employ about 74,000 additional hands and the consequent increase in the wage bill on this account alone will be about Rs. 4 crores. An increase of Rs. 1.15 crores over the Revised Estimate of the current year will occur under periodical overhauls and other repairs to locomotives and other rolling stock and under track maintenance. For payment of claims for goods lost or damaged other than those relating to pre-partition transactions, an amount of Rs. 1.31 crores has been included. To the total under Working Expenses (Rs. 1.59.0 crores) has to be added Rs. 11.47 crores under depreciation and Rs. 1.62 crores for payments to worked lines.

11. The net revenue of the Budget Year will thus be Rs. 32.32 crores. Deducting Rs. 22.88 crores under interest Charges, the net surplus will be Rs. 9.44 crores.

12. I shall now explain how I propose to dispose of the net surplus in each of the two years 1948-49 and 1949-50. According to the arrangements recommended at the time of the last Budget by a Committee of the House presided over by you, Sir, and accepted by the House, out of the Railway surplus for the year 1948-49, Rs. 4.50 crores were to be credited to General Revenues and an equal amount to the Railway Reserve Fund; the balance and any improvement in the surplus that might accrue during the year were to be credited to the Railway Betterment Fund. The surplus was estimated in the current year's Budget at Rs. 9.84 crores and thus the Betterment Fund obtained a credit of Rs. 84 crore. The Revised estimate figure for the Railway surplus is as I have already said, Rs. 15.83 crores, an increase of about 60 per cent. Under the arrangements already referred to, this amount would have had to be distributed as follows : -

General Revenues	Rs. 4.50 crores.
Railway Reserve Fund	Rs. 4.50 crores.
Betterment Fund	Rs. 6.83 crores.

I have, with the concurrence of my Hon'ble colleague, the Finance Minister, reviewed the position in the light of compelling considerations. The substantial increase in the total surplus amount and the needs of the general financial position of the country justify an increase of the contribution which Railways may make to General Revenues. Neither of the two usual claimants for the Railway share of the surplus, namely, the Railway Reserve Fund and the Railway Betterment Fund stands in their present condition in need of any replenishment. On the other hand, the Railway Depreciation Reserve Fund requires to be strengthened to the maximum possible extent. It has, therefore, been decided to distribute the current year's Railway surplus:

General Revenues	Rs. 7.34 crores.
Railway Betterment Fund	Rs. .84 crores.
Railway Depreciation Reserve Fund	Rs. 7.65 crores.

For the same reasons as in the case of the 1948-49 surplus, the Budget surplus for 1949-50 (Rs. 9.44 crore) will be allocated as follows:-

General Revenues	Rs. 4.72 crores.

Railways Rs. 4.72 crores.

The whole of the Railway's share will be appropriated to the Railway Depreciation Reserve Fund.

13. Expenditure not chargeable to the Revenue of the year is financed from three sources, Capital Funds, the Betterment Fund and the Railway Depreciation Reserve Fund. In the Budget for the current year, a provision of Rs. 53.29 crores was made for such expenditure. The Assam rail link will, however, cost us Rs. 12 crores more than what was entered for it in the Budget. In the course of the year we have sanctioned and commenced additional works not provided for in the Budget, such as the Locomotive Building Project at Mihijam which, Hon'ble Members will be interested to know, will be renamed Chittaranjan, the doubling of the Anand-Barejadi line on the Baroda Ahmedabad Section of the B. B. & C. I. Railway, the partial doubling of the Delhi-Mathura Section and the doubling of the Budni-Barkhera Section of the G.I.P Railway. Per contra, the expenditure anticipated on Road Services will not be fully utilised and some of the works have been dropped or postponed as a part of the measures for fighting inflation. The revised estimate of the expenditure during the year is now placed at Rs. 54 crores, Rs 27.3 crores under Capital, Rs. 3.79 crores under the Betterment Fund and Rs. 22.91 crores under the Railway Depreciation Reserve Fund. The programme for 1949-50 is estimated to cost Rs. 71.15 crores. It does not include the construction of any new line. Rs. 50 lakhs will be spent on the railway-cum road bridge project over the Ganga at Mokamah. The total cost of this work is Rs. 12 crores and it is expected to take 5 years to complete. The expenditure on the rolling stock programme for the year will be Rs. 36.15 crores and includes 440 locomotives, all on replacement account. Rs. 4 crores will be spent on machinery and Rs. 26.63 crores on other works. The most important of these is the Locomotive Building Project at Chittaranjan, for which there is a provision of Rs 5.5 crores. Provision has been made for a marshalling yard at Vatva on the B. B. & C. I. Railway and an expenditure of Rs. I crore on Road Services. It is proposed to buy the Pachora Jamner Railway at a cost of Rs. 21.88 lakhs, out of which Rs. 3.65 lakhs representing the premium will be charged to Revenue. For other details, I would request Hon'ble Members to refer to the Explanatory Memorandum. Although the budget year's programme is for an expenditure of Rs. 71.15 crores, a lump sum cut of 10 per cent is being made to provide for the usual inability of Railway Administrations to spend the full amount. The net provision entered in the budget is therefore only Rs. 64 crores, out of which Rs. 28.64 crores will come from Capital, Rs. 1.5 crores from the Betterment Fund and Rs. 33.86 crores from the Railway Depreciation Reserve Fund.

14. It is necessary that I should give Hon'ble Members some particulars about our reserves. In view of the state of the Railway finances during the three year period which we have been surveying, as also the likely prospects during the period immediately following, it is safe to assume that there is no likelihood of our having to draw on the Railway Reserve Fund, either for meeting losses or for making contribution to General Revenues. This Fund started the current year with an opening balance of Rs. 6.51 crores. There has been an addition to it during the year of Rs. 5 lakhs, being the net gain on investments in shares of Branch Line Companies. The withdrawal from the Fund amounted to Rs. 5 lakhs, being arrears of depreciation on the units of replaced rolling stock chargeable to this Fund. The balance at the end of the year will also be Rs. 6.51 crores. No amount is proposed to be added to the Fund during 1949-50, nor is there any need to do so. The balance of Rs. 6.51 crores will, however, stand to the credit of the Fund in that year.

15. According to the practice in vogue since the Betterment Fund was constituted, it has been meeting not only the expenditure on passenger amenities, but also the expenditure on amenities to staff, including quarters for class IV staff and on unremunerative operative improvements costing not more than Rs. 3 lakhs each. The expenditure from the Fund provided in the Budget for the current year for all these purposes was Rs. 5.22 crores. In the course of the Budget debate during February 1948, the House took exception, and I consider rightly, to this Fund being used for financing expenditure other than that relating to passenger amenities. Dr. Matthai then assured the House that its wishes would be respected in the future. In pursuance of this undertaking, the rules for the classification of expenditure have been changed. The change will in the normal course only apply to works started after 31st March 1949, but with a view to fulfilling the spirit of the undertaking given, it has been decided that the amount charged to the Betterment fund in the year 1948-49 in respect of works in progress on the 1st April 1949 other than those relating to passenger amenities should be written back to Revenue in the

accounts of the year 1949-50. Expenditure on amenities to staff and on unremunerative improvements costing not more than Rs. 3 lakhs will, from 1949-50 onwards, be charged direct to Revenue. The actual opening balance in the Fund at the beginning of the current year was Rs. 14.54 crores. The additions to the Fund during the year are Rs. 83.62 lakhs, the share of the Railway surplus and Rs. 41.80 lakhs being the interest on the balance of the Fund. From the total of these three items, namely, Rs. 15.79 crores, has to be deducted the amount of withdrawal from the Fund, namely, Rs. 3.79 crores. The closing balance of the Fund in the revised estimate will thus be Rs. 12 crores. In view of this heavy balance and of the slow pace of expenditure from this Fund in the past, particularly on passenger amenities, it has been decided not to make any appropriation to this Fund in the Budget year. It will, however, be credited with the interest on the balance of the Fund amounting to Rs. 40.33 lakhs. The expenditure provided for the coming year is only Rs. 1.5 crores and the whole of this will be spent on passenger amenities. The history of this Fund must be somewhat disappointing to Honourable Members as it is to me. Out of a. total expenditure on works from the Fund since its inception, namely Rs. 98 lakhs, the amount that has been spent on passenger amenities proper was only Rs. 13 lakhs up to the end of 1947-48. And even in the current and budget years, the amounts spent on and provided for passenger amenities, are wholly disproportionate to the requirements. I can find excuses for these shortages, but cannot disguise, from myself not the House, the feeling that more should be done in this direction. The importance of pushing expenditure on passenger amenities is being repeatedly pressed on Railway Administrations and I propose to have an intensive examination of the position carried out early in the coming year with a view to listing works which should be executed and to laying down a programme with time limits for ensuring that such works are carried out with expedition. If, as a result of this intensive drive, it is found possible to spend in 1949-50 more on such works than the Rs. 1.5 crores provided for, I am sure, I shall be able, with the concurrence of my Hon'ble colleague the Finance Minister and the Standing Finance Committee for Railways, to increase the amount to be withdrawn from the betterment Fund for expenditure on such works.

16. The annual appropriation to the Depreciation Fund is now made at 1/60th of the capital at charge, but withdrawals are made to the full extent of the replacement cost. It has been calculated that, in respect of certain assets like locomotives which have to be replaced in 1949-50, the withdrawal from the Fund will be at the rate of Rs. 8 for every rupee contributed to the Fund in respect of those assets up to the date of replacement! Honourable Members will appreciate that at this rate there would be a disastrous depletion of the Fund in the near future. The actual Opening Balance in the Fund at the beginning of the current year was Rs. 9.93 crores. There will be a withdrawal of Rs. 22.91 crores during the current year and Rs. 33.86 crores during the Budget year The normal appropriation to the Depreciation Fund is Rs. 11.29 crores in 1948-49 and Rs. 11.47 crores in 1949-50. The withdrawals will thus be twice the normal contribution in the current year and three times in the coming year. The closing balance at the end of 1949-50 would have dwindled down to Rs. 61.92 crores but for the special additions to the Fund that we have decided to make; with these additions it will stand at Rs. 74.28 crores. It may be safely assumed that there will be-heavy withdrawals from the Fund in the succeeding two or three years also. The position of the Fund at the end of five years from now is a matter which gives grave cause for anxiety. This unsatisfactory position is due mainly to two factors. There is a very large gap between the original cost on which the annual appropriation to the Depreciation Fund is based and the replacement expenditure at present prices. The flat rate of contribution, 1/60th, is out of tune with this gap. Secondly the Depreciation Fund which started in 1924-25 has so far received no contribution in respect of the depreciation on assets in existence then which had accrued prior to that year. These arrears were estimated at the time at Rs. 20 crores. The Indian Railway Enquiry Committee have recommended that for the next five years an annual contribution of about Rs. 22 crores should be made to the Fund. It is obvious that the whole matter should be carefully examined and our future policy in regard to depreciation should be clearly defined. Pending such an examination, it is necessary that we should strengthen this Fund to the necessary maximum possible extent at every opportunity that presents itself, It has accordingly been decided to pay into the Fund, in addition to the normal contribution and in instalments the 20 crores representing the arrears prior to 1923-24. The result of this policy is expressed in the Budget now presented. The total contribution to be made to the Fund under the decisions that have been taken in regard to the disposal of the Railway surplus will amount to Rs. 18.94 crores in 1948-49 and Rs. 16.19 crores in 1949-50.

17. The convention relating to the separation of Railway from General finance which was

adopted by a resolution of the old Central Legislative Assembly in 1924 was, as Honourable Members are aware, intended to remain in force for at least three years and was to be thereafter subject to periodic revision. There was an abortive attempt by a Committee of the Assembly in 1928 to re-examine this question. For the next 15 years this attempt was not renewed. In 1943, a Railway Convention Committee which was constituted was wound up soon after it issued an interim, report. In 1947, during the Budget session, a Committee of the Legislative Assembly was set up for the purpose of investigating this matter, but owing to the far-reaching political changes that followed, the Central Legislative Assembly and its Committees ceased to exist after the Budget session. It has not been possible since, in view of the far more important problems that confronted Government in, quick succession, to take up this question. The investigation should, however, no longer be delayed. I shall, therefore, be inviting the House in this session to set up a Committee to go into this matter including also the problems relating to the Depreciation Fund and to make its recommendations before the end of the calendar year.

18. From these details of Railway book-keeping, I shall now turn to a subject in which, I am sure, Honourable Members will feel even more interested namely, Railway performance. Our travel, our agriculture and our industries have gradually grown up on a foundation of cheap and adequate rail transport. It is not, therefore, a matter for surprise that its short-comings should come in for frequent, at times carping, criticism. The War, and the Partition which followed a little over two years later, are responsible for many of our present difficulties. We have to bear in mind, however, that it takes a considerable amount of time to overtake the effect of such far-reaching and disturbing events. We have made progress in overcoming them and shall continue to do so.

19. Under passenger traffic, there has been some increase in the number of trains during the current year. Between April and November 1948, 5½ million more train miles were operated than we did during the corresponding period of 1947. The additional trains have reduced overcrowding somewhat, and reports recently received appear to indicate that, except in the proximity of towns and fairs, there has been a definite change for the better in this matter. But it is a fact that there has been a larger increase in the number of passengers during the last few years proportionately than the increase in the number of passenger trains and the accommodation therein. There has been consequent overcrowding which can only be relieved gradually. Steps have, however, been taken to produce more coaches. From 1st April 1948 to 1st November 1948, 172 coaches (in terms of four--wheelers) were completed in railway workshops and 272 coaches are now in process of construction. 100 improved type of Class III all-metal coaches 10' wide equipped with electric fans are on order with the Hindustan Aircraft Ltd., Bangalore. A few of these have already been delivered and are in use on the M. & S. M. Railway. The remainder will be delivered during the year 1949-50. Orders have also been placed for 250 coach body shells with the Wagon Manufacturing Panel and in the U. K. for 112 electric multiple unit suburban coaches for the G. I. P. and B. B. & C. I. Railways. 251 Broad Gauge coaches have also been returned by the Ministry of Defence since 1st April 1948. In spite, however, of these steps, the conditions of travelling for Class III passengers still leave a great deal to be desired. I can only promise that a continuous drive will be kept up for improving them in every direction. There has been noticeable improvement in train punctuality, as a result of a special drive that was initiated. The percentage of trains not losing time is roughly 60 percent and in a few cases as high as 83 per cent. These figures, however, are not a matter for complacent satisfaction but should and will be improved further. A number of steps have been taken to improve in several ways the conditions in which Class III passengers travel. This question has been continuously under our consideration and I am glad to say that some important measures have been taken in this direction. Instructions have been issued to Railways to provide electric fans in third-class waiting halls and covered platforms at important stations and to increase the seating accommodation provided therein. The ensuring of cleanliness of coaching stock and station premises has been specially stressed. Arrangements have been made for adequate supply of water and certain Railways have introduced a scheme which provides for drinking water and watermen being carried in Class III compartments on long distance trains.

20. In the past more attention was paid to the class in which a passenger travelled than to distance. The more fundamental distinction is that between long distance and short distance passengers. It has, therefore, been decided to provide special compartments and reserve seats therein for long distance passengers travelling for more than 300 miles. In the matter of service

of meals and other attention, it has been enjoined, that they should be treated like upper class passengers. In some principal stations a special booking office window for the issue of tickets to such passengers has been opened.

21. In the autumn session of 1947, a suggestion was made that social service workers should be employed to assist Class III passengers at major stations. Most of the Railways have given effect to this suggestion and social guides have been appointed in consultation with recognised social service institutions.

22. Ticketless travelling and the consequent overcrowding have been attacked with vigour during the year and Provincial Governments have whole-heartedly co-operated with the Railways in this matter. In the United Provinces, where the evil had attained serious proportions, the work of 17 platoons of mobile police and 34 Special Magistrates has yielded very encouraging results. During the first nine months of working, some 2½ lakhs of cases were detected and Rs. 8½ lakhs recovered from the culprits. The drive naturally added also to the regular receipts at booking offices.

23. I would like to make a reference in passing to the new re-classification of accommodation in passenger trains, which took effect on the 1st of January last. The congestion which the old Inter Class passenger was the victim of, has been somewhat relieved under the new system consequent on the downgrading of a number of old Second Class compartments to this Class. Arrangements have been made to reserve seats in new Class II. It has not been possible to provide sleeping accommodation for Class II passengers in all trains, but a beginning has been made and Railway Administrations have been instructed to investigate ways and means of extending this facility. The conversion of all the previously existing stock into stock of the new type requires a large-scale withdrawal of some of the old stock for necessary readjustments and would entail a considerable curtailment of the limited coaching accommodation now available on the line till they were returned from the workshops. To avoid this, some old Second Class compartments were downgraded to new Class II, while others were upgraded to new Class I. This naturally resulted in a difference in the standard of accommodation to which new Class II passengers were entitled, but this particular complaint will only be temporary until conversions have been taken up and completed to new standards. There can he no doubt that the re-classification has evoked a large volume of criticism. Class III passengers have had no benefit from it. Old First Class passengers, who travel in new Class I have definitely benefited. Old Inter passengers who are able to obtain accommodation in old Second Class compartments, converted into new Class II, get better amenities at practically old Inter rates. The old Second Class passenger, if he has to be sure of the same comfort and sleeping accommodation as he was previously entitled to, must go in for a new Class I ticket which means a 50 per cent. increase in his fare. If, however he elects to travel in new Class II, he has to be content with old Inter discomfort without being sure of obtaining sleeping space in all cases. The Railway Administrations have been directed, however, to watch carefully the effects of the new classification and the reactions of the travelling public thereto. The first reports on this subject have been received from General Managers. The period they relate to was, however, too short to base any definite conclusions on. The views expressed are not uniform, though from the purely revenue point of view they do not appear to give much room for anxiety. The matter, however, requires further watching, but I trust that the additional facilities which have been ordered to be gradually provided for Class II passengers will, when they are implemented, persuade them to settle down to the new system. It is premature, however, to pronounce a final verdict on the question whether the change that has been brought into effect in deference to the views expressed in this Assembly and in the Central Advisory Council, calls for any reconsideration.

24. Criticism has been loudest against Railways in respect of goods services. There are bottlenecks in railway transport. But it is well to remember that there are bottlenecks also in other forms of transport and in industry and trade. I am free to confess that Indian Railways in their present condition cannot carry concurrently all the traffic offering. But all essential traffic has, subject to exceptions, been moved in reasonable time having due regard to the conditions that prevail while all other traffic has been obliged to wait until the needs of essential traffic have been satisfied or to be content with a scramble. The daily average coal loading from January to December 1948 was about 4 per cent. higher than that during 1947; in November 1948, it was

higher than in any month since 1943. In the Iron and Steel industry, despite a decrease in production, despatches during January to December 1948 were higher than those during 1947. The bottleneck in this industry has, in the recent past, been its difficulty in facilitating the clearance of previously accumulated stocks and not the lifting of current production. But even these stocks are now being moved by planned train loads to the extent that the industry is able to load wagons. The movement of textiles during the period between January and December 1948 was 18 per cent. higher than that during 1947. During the first eleven months of 1948, the movement of cement was 9 per cent. more than in the corresponding period of 1947. For the sugar industry, rail transport has been regularly programmed and the sugar factories, despite accumulation of stocks, have not been able to utilise all the transport facilities that were offered to them.

25. So long as rail transport resources fall substantially short of the demand, their rationing and control from the public point of view are inescapable. The Rail Priorities Organisation, with five Regional Controllers assisted by Local Regional Advisory Committees and supervised by a Chief Controller of Priorities at the Centre working in close association with the Railway Executive and the Central Board of Transport has done and is doing good work. The weekly meetings of the Standing Committee of the Board are of the greatest value in this connection. They ensure co-ordination between the competing claims of different Ministries for transport. What is more they serve to keep continuous watch on movements and to detect and to remove bottlenecks in rail transport wherever they occur. The most notable decision of the Board itself was the determination of national priorities. Food movements of course, come first and then industries. The Board decided that full transport facilities should be provided for steel, textiles and cement to start with. A programme for each quarter has to be framed in advance of it and the Standing Committee of the Board prepares movement programmes to implement such targets. The planning for these three industries for the first quarter of 1949 has already been completed and wagon quotas have been fixed so as to ensure that these industries work on the optimum planned level. A new scheme has also been introduced by which an efficient follow up machinery will ensure that every consignment covered by a priority order is assured of movement.

26. It is, I trust, appreciated all round that considerable improvement has been effected in recent months. This has been achieved by special measures such as careful programming of movements and a steady stepping up of operating efficiency from the low levels to which it had dropped. One of these important steps is the movement of traffic in full train loads. During the month of December 1948, for instance, as many as 329 B. G. specials were run on the different railways. The daily wagon loadings on the B. G. have improved from 9,800 in June 1948 to 11,267 in December. The turnround of wagons over the same period has shown an encouraging decline from 15.03 to 12.21 days. The average speed of goods trains, to refer to another aspect, has been registering an upward trend. These are reassuring features in recent railway working, though I concede that a great deal more requires to be achieved before public satisfaction can be extorted. It is not enough in my judgment to meet industry's immediate needs. Industries must be given the confidence that additional calls on transport due to the stepping up of production in existing industries and to the establishment of new industries will be met if and when they come to be made. There is still a considerable gap between the actual demand for transport and the capacity of railways to meet it in full in proper time. The problem of bridging the gap is one of adequacy of power rolling stock and line capacity.

27. Having regard to the difficult power position and the urgent need to strengthen it, the Chief Commissioner of Railways went to Europe and America during 1948 to seek manufacturing capacity for locomotives to be quickly built to India's specifications. As a result of his visit and on an examination of the quotations of prices and delivery dates, orders have been placed in the U.S.A., Canada, the U.K. and France for 390 locomotives, in addition to 473 previously ordered, making a total of 863 locomotives consisting of 640 B.G., 203 M. G. and 20 N. G. engines. 303 of the total number have been ordered in the U.S.A., 350 in Canada, 190 in the U. K. and 20 in France. 19 B.G. and 33 M.G. locomotives have been received in India by 15th January 1949. By 31st March 1949, 120 more B. G. locomotives are expected to be received. The total receipts during the current year will thus amount to 139 B.G. and 33 M.G. locomotives. According to the scheduled delivery dates 202 B.G. and 22 M.G. locomotives are expected to be received in India before the end of September next; 90 B.G. and 91 M.G. locomotives by the end of December and 45 B.G. and 57 M.G. locomotives by March 1950. We hope, therefore, to receive a total of 337 B. G. and 170 M. G. locomotives during 1949-50. Of the balance, 164 B.G. and 16 N.G. locomotives

are expected to be received in India during 1950-51 and the remaining 4 N.G. locomotives during 1951-52.

Questions have sometimes been asked as to why loco orders have not been placed in other countries in the world. In order to clarify the problem, it may be stated that three factors governed the placing of orders. Firstly, locos which we require must be built to our specifications. Designs suitable elsewhere do not conform to our standards, and interchangeability in stock is important. Secondly, the price quoted should be competitive, and lastly the delivery dates should be acceptable for our needs.

28. Our dependence primarily on the foreign manufacturer for our locomotives has thus been largely responsible for our present sorry plight in this connection. The Central Legislature has for years demanded the setting up in the country of a locomotive industry of our own. There had been regrettable procrastination in this respect in the past, but I am glad to be able to say that we are making rapid progress meeting this demand now. At Chittaranjan, 20 miles from Asansol, close to the coal and steel producing areas, work is proceeding in full swing on the erection of the Locomotive Building Workshops designed to manufacture 120 steam locomotives and 50 additional boilers per year. The smaller shops in this factory for the manufacturer of components are expected to be ready early in 1950 and the main assembly shop for the production of complete locomotives by early 1951.

29. For the time being, however, we have to do the best with a shortage of power. Our overaged locomotives on 31st. March 1949, B.G. and M.G. number 1,291 and it will be sometime before they are all replaced. Quite apart from the fact that it is uneconomical to maintain obsolescent types, one has to reckon with engine failures, which assumed serious proportions during certain months of 1948 and interfered with punctuality of operation. To add to our difficulties, the efficiency of the periodical overhaul of engines in workshops was impaired by lack of, or inadequate, stocking of spare parts. There had been protracted delays in the placing of orders for and in the receipt of spares both in India and from abroad, and these have had serious repercussions on the maintenance schedules of the workshops. The out-turn in workshops of rolling stock has been adversely affected in consequence. Steps are being taken to minimise avoidable delays in finalising contracts and expediting delivery.

30. As regards wagons, our requirements per annum are of the order of 10,000 in terms of 4-wheelers. Up to 31st December 1948, 2,349 wagons of different types (in terms of 4-wheelers) have been put on the lines. By March 31, 1949 another 485 wagons would come into service. The orders placed in the year amount to 3,600 Wagons. The numbers expected to be delivered during 1949-50 are 4,400 wagons The shift in the traffic flow due to war-time changes in our industrial production and to Bombay having to takeover the role of Karachi as the principal port for North India have stressed the need for increase in line capacity. This matter has received attention. The Delhi-Mathura track is being partially doubled. An additional line between Bundi and Barkhera on the Bhopal-Itarsi section of the G.I.P. Railway is being constructed. As the existing line in this length has steep gradients and requires the use of banking engines, the additional line is being constructed on a separate alignment with flatter grades. The existing line will be used for down traffic without banking engines and the new line will be used for up traffic, also without banking engines. On they B.B.& C.I. Railway, Anand Barejadi single track on the Baroda-Ahmedabad section will soon be doubled. The quadrupling of 52 miles of track between Saktigarh and Sitarampur on the E. I. Railway has already been completed while the doubling between Ekdil and Kanpur is now in progress. Along with line capacity, we have to consider yard capacity as well. For speeding up of traffic, several large yards are being remodelled. The work on the New Delhi yard is nearing completion and that on the Delhi Main yard will soon be taken in hand. On the O.T. Railway the remodelling of Gonda and Gorakhpur yards is likely to be completed in 1040-50. I will not weary the House with more details.

31. There is, however, one important point to which I should draw the attention of Honourable Members, namely that progress in works of the kind referred to and in rehabilitation has been held up by shortage of supplies of steel to Railways. The increased wear and tear and the deferred maintenance of locomotives and other rolling stock have accumulated large arrears of maintenance and repairs. The present supplies of steel to Railways fall far short of the full tonnage required to maintain the repair schedules. The short allocation of steel has also placed limits on the acting orders for rolling stock with indigenous manufacturers. For instance, we

desired to place orders for 5,080 wagons against annual normal requirements and for an additional 4500 wagons to meet the industrial needs of the country. Owing however, to the limited supplies of steel available, the order had too be reduced to 3,500 B.G. wagons representing on about 40 per cent of indigenous capacity. The shortage of steel has affected permanent way maintenance also. The need for the topmost priority being given to demands of steel from Railways to meet their minimum requirements for essential maintenance and replacement hardly requires stressing.

32. I have already referred to the proposed Locomotive Building Workshops at Chittaranjan now under construction. Railways in this country have experience of work on repairs and maintenance of locomotives. They have little or no experience of the manufacture of locomotives on modern production lines. If, therefore, we are to avoid the very expensive method of learning by mistakes, we require to import specialised technical aid for a temporary period. The Railway Board has now under consideration the possibility of making arrangements with foreign manufacturers for obtaining such technical aid. The intention is to secure the loan of trained technicians for service at our workshops where they would be required to organise the production side as well as to train our men in the technique of production. It may be necessary to get the assistance of any firm with whom an arrangement of this kind is made for producing to a planned scheme such parts of locomotives as we may find it not possible to manufacture at our workshops or elsewhere in India until our own factory comes into full competitive production unit would be necessary for such a firm also to undertake to train, where necessary, our technicians in their own workshops.

33. The Railway Board has, further, under examination at present the whole of the locomotive position on Indian Railways. The normal life of a locomotive is 40 years. The average age of locomotives on the line should be half that figure, namely, 20. At present, the average age of our loco-motives is very much higher than that, being about 28 years. This indicates that we have in use more older than younger locomotives on the line. With due regard to the expected delivery dates of locomotives on order and the number and types of locomotives which will become overage by then, it has been calculated that we shall require, without embarrassing our own production, both from our workshops as well as from Tatas, from 400 to 500 more locomotives to be imported. The details, however, have still to be worked out.

34. The House will remember the Silver Arrow model train which was exhibited round India in 1947. Many enquiries have since been received as to when stock of that kind could be seen on Indian Railways. Progress has been made in manufacturing the all-metal light-weight type coach in. India. The position at present is that we have prototypes under construction and these will have to be given the various buffing and other tests required before we go in for mass pro-duction. The Railway Board has been examining the possibility of establishing for Indian Railways a Central Coach Manufacturing Workshop where such all-metal light-weight coach construction could be done with a view to adding to indigenous capacity in this sphere. For this workshop also, as in the case of locomotives manufacture, the Railway Board is, considering the question of obtaining technical aid from foreign manufacturers with years of experience of welded all metal coach building.

35. When presenting the Railway Budgets in November 1947 and February 1948, Dr. Matthai referred to the demands of labour on Railways, particularly in connection with the implementation of the recommendations of the Central Pay Commission. During the year a Negotiating Committee consisting of representatives of the All-India Railwaymen's Federation and of the Railway Board discussed certain issues, arising from the application of the Commission's recommendations. A variety of matters had to be covered during this discussion. Several of them were requests for modification even of the basic recommendations of the Central Pay Commission. At their annual convention at Calcutta, the Federation passed resolutions demanding that there should be no curtailment in Grainshop concessions and drawing attention to certain outstanding points at issue in connection with the Central Pay Commission scales of pay. In November, the General Council of the Federation met at Nagpur and decided on the taking of a strike ballot. Towards the end of December, the President of the Federation wrote to me drawing my attention to the clause in the Nagpur resolution expressing the preparedness of the Federation to come to an honourable settlement. In reply I suggested that he might come over and have a discussion with me. During the talks between us last month at Bombay and Delhi, there was a frank exchange of views. and we arrived at certain understandings which, I

have reason to believe, have cleared the air considerably. As a result, the Federation Executive has now a better appreciation of the policy of Government towards railway labour and its trade union organisations. The General Council of the Federation is timed to meet tomorrow. I trust that good sense will prevail and the decision will be against a railway strike

36. It is necessary here to refer to Railway Grainshops. In pursuance of the undertaking given at the last Budget session, the Railway Grainshops Enquiry Committee with Shri Mohan Lal Saksena as Chairman and Shri K. Santhanam and Shri Khandubhai Desai as Members was appointed to examine the structure of the grainshop organisation, the system of procurement, stocking and distribution and the admissibility of the grainshop concessions to the various categories of railway staff. The Committee was also asked to suggest modifications in the present system which, while retaining the essential benefits of the grainshop scheme, would keep the cost within the limits the Railways could afford. The Report of the Committee was submitted in June and its recommendations were accepted later by Government with only slight modifications. The result was that staff drawing above Rs. 250 were given the full cash dearness allowance payable to other Central Government employees, and an option was given to staff drawing upto Rs. 250 either to continue to enjoy grainshop concessions limited to five essential articles or to give up the concessions in favour of the full cash allowance. Government also offered lump sum payments to those drawing up to Rs. 50 who decided to opt out of the grainshop concessions before 1st January 1949 with a view to enabling them to make suitable adjustments in their domestic budgets. When subsequently Government decided to increase the rates of cash dearness allowance to all Central Government employees drawing upto Rs. 250 by Rs. 10 per mensem, they sanctioned in the case of Railway workers the salve allowance of Rs. 10 per mensem for staff drawing up to Rs. 250 with a proviso that in the case of such of the staff as elected to retain grainshop concessions on the restricted scale, the allowance would be only Rs. 5 per mensem. The period for electing to opt out of the Grainshops was extended up to 31st March 1949, and, in the case of those who did so opt out, lump sum payments on the same scale as for those who opted out before the 1st January 1949 were also promised. The new scheme has been brought into operation from the 1st January 1949.

37. Government have no desire other than to deal justly and even generously with labour. The Central Pay Commission scales of pay, the Rajadhyaksha Award, the new rates of pay and allowances to Running Staff, the increases in the dearness allowance which have taken effect from the beginning of this year, all these have added to the financial strain the Railways, and, therefore, on the community as a whole. It will not help the railwaymen to get their spending power increased when it is unaccompanied by increased production all round. In the circumstances in which we find ourselves placed today in the country, there is need for austerity and sacrifice on the part of every section of the community. The Government are committed to a long term policy of raising the standard of life of every one in the country. But a higher standard of life is not a platter merely of higher wages. It is essentially one of higher productivity. The present situation thus offers a challenge to our capacity and sense of responsibility as well as to the objectives that we must place before ourselves. I have always felt that, in the long run, labour will rise to the height that it should in promoting the welfare of the country as a whole and in avoiding everything that is likely to conflict with peace and the attainment of that welfare by everybody. I have good reason to think that responsible leaders of Railway labour, including those in the All-India-Railwaymen's Federation, are fully alive to the disastrous consequences of taking a decision which will cause direct injury on a colossal scale to the national interest, and I do trust that they will not allow themselves to be misguided and overwhelmed into taking a wrong course by those who attempt to exploit them and their clientele not for legitimate trade union interests but for purposes of self-aggrandizement or of winning political party advantage.

38. The Railways constitute the biggest nationalised industry in the country and I am one of those who believe that the administration of this industry should be so ordered and developed as to give labour more and more the feeling that it is participating with the management in raising the public service which the industry renders to the community to the maximum, both in quantity and quality. I am keen, therefore, that the conditions of life of railway workers should improve with expedition and, in some respects, radically. The Railway Budget provides for many items of expenditure relating to labour welfare. In spite of the need for economy and the difficulty of obtaining materials at reasonable prices, the Railway Administrations are trying to put up as many houses as possible, especially for those belonging to the lowest income groups amongst the workers. Railway hospitals and dispensaries provide for the railway workers greater facilities

for medical relief than are available to the ordinary citizens of India. Other items of expenditure include maternity and child welfare, schools and institutes. It is proposed to review all these activities so that they may be fitted into an effective all-round programme of labour welfare. In order to enable Parliament as well as the railway workers to watch the progress of a scheme of this nature, the question will be examined whether all these items of expenditure cannot from the next year be brought under one demand head as in the case of passenger amenities.

39. The establishment of the most cordial of relations between railway managements and the railwaymen who work with them will be the supreme test of the efficiency of Railway Administrations. Past traditions and present conditions have combined to bring about an atmosphere of apparent conflict and hostility between them. The right of workers to combine for the protection of their interests is undoubted. But, on combining together, Unions and Federations of workers should realise that nothing could be to the real interest of the workers themselves unless it is in unison with the interest of the community as a whole. To exploit trade unions for political party ends merely is a crime, whoever may resort to it. I desire to appeal to all labour leaders, whatever school of politics they may belong to for other purposes, seriously to consider whether for subserving the real welfare of their primary clients, the general body of workers they should not unite in a common organisation and confine its activities to the realisation of essentially trade union objectives.

40. An important piece of reform was completed during the year with the introduction of a new rating structure on the 1st October 1948. I would not weary the House by giving details of the new system that has been introduced. A new Railway Rates Tribunal will shortly commence to function under the legislation passed last year and will, I hope, be welcomed by the trading community. The need for a more satisfactory machinery to decide disputes in connection with rates than was provided by the Rates Advisory Committee had been pressed for long and the functioning of the Tribunal should go a long way towards satisfying the public that their complaints regarding the making or giving of undue preference in rates or charges or of refusal to quote a station-to-station rate will be looked into and decided finally by an impartial authority.

41. I would here make an appeal to our trading community for co-operation in the matter of the utilisation and release of wagon. In a number of cases, it has been found that indents placed for supply of wagons are cancelled or not fully availed of when they have been complied with after a great deal of effort and programming of movements on the part of the railways. To avoid delays in the release of wagons at starting or destination stations, the Railway Board has recently had to reduce the free time allowed for the levy of demurrage from 9 to 6 hours. This has led to an improvement in wagon loading since last April by 2.71 per cent on the broad gauge and 4.74 per cent on the metre gauge as compared with the corresponding period of 1947. It is not a pleasure to be compelled to institute penal measures for what could readily be accomplished with the willing co-operation on the part of traders and businessmen. I wish our Chambers of Commerce and Trades Associations will build up a code of their own of healthy practices in this regard. This is what has been done for many years in the U.K. and the U.S.A. The absence of responsible conduct of this nature has expressed itself in the enormous accumulation of uncleared consignments, as for instance, was the case in the New Delhi yard. If some businessmen do not clear wagons in time, they are actually depriving many others of the supply of wagons so essential to the functioning of our economy in a regime of shortages and priorities. I have no hesitation in assuring the commercial community that the Railways will do their utmost to serve their needs. I am sure they appreciate the radical measures adopted recently to clear the arrears of claims which had accumulated during the war and on account of the unsettled conditions of the last two years.

42. The Indian Railway Enquiry Committee concluded its labours during the year and submitted its report to Government early in November last. To my Honourable Friend Pandit Kunzru, who presided over the Committee, and to his colleagues, I wish to express the Government's obligations for the comprehensive survey of railway problems, the painstaking study of those problems and the recommendations thereon made in the Report. These recommendations are individually being processed by a high level Officer on Special Duty with a view to obtaining Government's orders thereon. I need hardly say that Government will give their very best consideration to the recommendations. The Report was sent, to the Press soon after its receipt, and printed copies of its will be made available to Honourable Members after they are received from the Press.

43. I ought to refer to another topic to which reference has been made by the House in recent years, namely, the economic and statistical information relating to railways. The question has a public as well as a domestic importance to railways. Indian Railways have for many years followed a policy that is perhaps unique. There is hardly an aspect of their working-financial, operational, and commercial on which they do not collect, and cannot supply, full information. All this information is necessary for the purpose of managerial control, to maintain efficiency in working, to keep down uneconomic expenditure and to improve financial results. I am assured that our record in these matters compares very favourably with that of other countries, including the U.K., the U.S.A. and Canada. The principal defect, with us has been that we have not been making as good use of the information that is available as these other countries do. We are instituting measures to bring about a rapid improvement in the present set up, taking into consideration they valuable suggestions made by the Indian Railway Enquiry Committee.

44. What is badly required is the collection and collation, in suitable forms of the information we have and its interpretation and correlation with the broad economic trends is the country. This is of vital importance to all those, such as the members of this House, who have to decide, or pronounce on, questions of policy and must have a correct appraisal of railway working from time to time. We are also strengthening our economic research side. The resources have to be harnessed to support and promote the economic welfare of the nation. As railways touch the life of the community more intimately than perhaps any other single economic agency, their managements should know as precisely as they can its changing needs, so that the service they render it is adjusted to what is desired. For this, there should be a continuous study in relation to railway working of current trends in industry, agriculture & domestic and foreign trade. Such studies, so common in other countries, should prove to be of great value to our industrialists and businessmen. A beginning on this task will be made in the Budget Year.

45. The Railways offer a wide field for scientific research. The Research Committees of the Indian Railway Conference Association and the Central Standards Office have a fairly good record to their credit in this respect, but it is recognised that there is need for a more comprehensive effect in this direction. The matter is under active consideration.

46. Hon'ble Members are, I know, greatly interested in the problem of the re-grouping of railways in this country. Amongst the 9 units of Railway Administrations now in existence, the route mileage in charge of each varies from 1,231 miles on the Assam Railway to 4,457 miles on the E. I. Railway. Their operation ratios vary within fairly wide limits and some of them have been living on the others. Their present geographical distribution has grown haphazardly in some cases and are a product of the history of both State and Company effort in the past. Whether we should interfere with the present grouping at all and, if so, how best to group them with the assurance of giving satisfaction both territorially and functionally is a problem which bristles with difficulties. The Railway Board and I are studying this problem in all its various aspects. The dimensions of the problem change daily. The political developments in Indian States and Unions of Indian States are at present a disturbing factor in the way of arriving at conclusions which can have any permanence. When, however, the political map of India gets finally settled-as there is every prospect of its doing in the very near future we should be in a position to re-draw the railway map of India and cut it up into units of Railway Administration, which will ensure both regional and operational efficiency.

47. There is the other problem also of the re-organisation of the internal administrative set up in each unit of Railway Administration. This also is being studied very intensively but, in a sense, it is linked with the problem of re-grouping. The matter is under active consideration, but, in view of obvious considerations, it seems to me that a hasty decision in respect of this matter should be avoided.

48. Proposals have been made from time to time by Committees and individuals, and quite recently by the Indian Railway Enquiry Committee, regarding the changes that are necessary in the central machinery for controlling this huge nationalised concern. I am giving this problem also my best attention and, while improvements for the purpose of achieving greater efficiency with the present Central set up are being I and will, be effected, the larger problem of the nature and functions of a Central Railway Executive and of its relations with the Minister and Parliament requires the most careful consideration and such legislation as may be required for altering the

existing system might, perhaps, be more wisely introduced in Parliament after the new Constitution come into force.

49. In a broadcast, which I made soon after I took over charge of Railways, I said- "On the railways, among the station, goods, train and such like staff, the demand and payment and the offer and acceptance of illegal gratification are almost a tradition, deep rooted and of many decades standing. A determined drive is now on to combat this evil with firmness." The House has always evinced the keenest interest in the putting down of this corruption. The arrangements that exist for achieving this result have been under my continuous consideration and recently I approved of a scheme evolved by the Railway Board under my instructions and after consulting both the Head of the Special Police Establishment and General Managers of Railways. The objective of the scheme is to coordinate the activities of the Special Police Establishment and Railway Administrations and to tighten up the executive machinery, both Police and Railways, dealing with the detection and investigation of cases. The main points of the scheme are:

Firstly, Organisations to suit local conditions or the prevention, detection and departmental investigation of corruption on each Railway;

Secondly, merely departmental or procedural irregularities resulting in preferential treatment to traders, travellers, contractors or firms should be ordinarily enquired into and disposed of by the Railway Administration concerned. If, however, there is reason to think that receipt of some monetary or other consideration can be established against the Railway staff concerned with these irregularities, the cases should be handed over to the Special Police Establishment without delay; and

Thirdly, in dealing with cases of corruption departmentally all non-Railway authorities and organisations, however influential they may be commercially or politically, should be entirely excluded.

The House will be interested to know that the number of cases investigated by the Special Police Establishment up to the end of December 1948 was 837, of which 389 cases were sent up for trial to Courts or Tribunals. 282 persons were convicted and 188 acquitted. 1.63 cases were referred back to the Railway Administration for departmental action. The number of Railway Gazetted Officers implicated was 40. The anti-corruption drive will be continued with the maximum of vigour, and I am glad to be able to tell the House that the officers in key posts on the Railways are quite alive to this and have given evidence of keenness for putting it down.

50. Before I close, I should like to pay a tribute of appreciation to the Chief Commissioner of Railways and his colleagues on the Railway Board, to the officers and staff serving under it, to the Heads of the nine Railway Administrations and the officers and staff serving under them, and particularly to the large body numbering over 8 lakhs of Railwaymen for the hard work they have been and are doing as well as for the service they have been rendering to the public under conditions of a certain amount of disorganisation and confusion, for which they certainly could not be saddled with responsibility. The House will, no doubt, agree with me in paying this tribute. To Honourable Members who have served on the Railway Standing Finance Committee and on the Central Advisory Council for Railways, I wish to express my gratitude and that of the Railway Board for the helpful criticism and the willing assistance we have throughout received from them.

51. And that brings me to the end of my story this afternoon.

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